



**State of Tennessee
Department of Finance and Administration
Bureau of TennCare
310 Great Circle Road
Nashville, TN 37243**

Phil Bredezen
Governor

M.D. Goetz, Jr.
Commissioner

Memo

To: TennCare ICF (Level 1) Providers
From: J. D. Hickey
Deputy Commissioner,
Director, TennCare Bureau
Date: **September 20, 2005**
Re: TennCare to Re-instate Limited Bed Hold Coverage in ICF (Level 1)

Based on the anticipated savings we expect to see from the decision in the Grier court case, TennCare is planning to re-instate a limited level of bed hold coverage in ICF (Level 1) facilities. This limited coverage is anticipated to begin with dates of service October 1, 2005 and after, subject to approval and funding of such coverage by the Centers for Medicare and Medicaid Services (CMS). Bed holds in SNF (Level 2) will continue to be non-covered as they always have been. This change does not affect bed hold policies in ICF/MR facilities.

Bed holds will continue to NOT be covered in ICF (Level 1) for dates of service in August and September 2005. Coverage would begin again on dates of service October 1, 2005 and thereafter and be limited to 10 days of leave (any combination of hospital and therapeutic leave days) for each State fiscal year (July 1st of one year through June 30th of the following year.) Reimbursement for covered bed holds will be at the regular Medicaid per diem paid to the facility. Bed holds will only be covered if the facility's total occupancy level is at or above 85% on the first day of the patient's absence.

Bed holds for July 2005 dates of service will NOT be counted against the new limit. Coverage for the nine month period October 1, 2005 through June 30, 2006 will be the full 10 days of leave. Thereafter the 10 day leave coverage will be for full fiscal year increments (July 1st of one year through June 30th of the following year.

As is the case with non-coverage during the months of August and September, therapeutic leave days and hospital leave days in excess of 10 days per fiscal year will be non-covered services and decisions about whether to hold a bed and the responsibility for payment for held beds is an issue that must be discussed with the patient and/or their responsible party.

If you have any questions, please contact our Division of Long Term Care Services.